

No. 15540

In the

United States Court of Appeals

For the Ninth Circuit

C. MARTIN WELCH,

Appellant,

VS.

EUGENE L. GRINDLE,

Appellee.

Appellant's Opening Brief

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No. 15,540

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C. MARTIN WELCH,

Appellant,

VS.

EUGENE L. GRINDLE,

Appellee.

Appellant's Opening Brief

STATEMENT AS TO JURISDICTION

This is an appeal from the January 3, 1957 Judgment and Decree (TR. 73)* of the United States District Court, Northern District of California, Southern Division, adjudging that Patent No. 2,534,644 is void and invalid, as to all three of its claims; enjoining and directing Appellant to inform past purchasers and others that the subject devices are not patented; enjoining and directing Appellant to so inform said past purchasers by a written notice; enjoining Appellant from marking the subject devices with a patent

*For convenience, reference to the Transcript of Proceedings is made by the abbreviation TR. followed by the page number of reference.

notice, and decreeing that each party bear its own costs entered herein on January 4, 1957.

The jurisdiction of the District Court as to both the original and Amended and Supplemental Complaint was predicated upon the assertion that this was a cause that arose under the patent laws of the United States of America.

The answer denied that an actual controversy existed between Appellant† and Appellee concerning any subject matter properly or lawfully cognizable in the District Court and denied that the District Court had jurisdiction over the non-federal aspect of the case, namely, the prayer for an order directing Appellant to assign his patent to Appellee (TR. 8-17).

This Court has jurisdiction to review the Judgment in question by virtue of 28 USC § 1291 and 1292 (4).

STATEMENT OF THE CASE

A. The Nature of the Controversy

This was a suit for declaratory judgment seeking an adjudication that Welch Patent 2,534,644 is invalid and void; that an order be executed decreeing that the Lettel Patent be assigned to Appellee; that judgment be entered decreeing that Appellee has the right to manufacture and sell the subject devices; that Appellant Welch be enjoined from further manufacture and sale of the subject device; that Appellant be ordered to account to Appellee for damages suffered by Appellee by reason of having been prevented from entering into the manufacture and sale of the subject devices; and for costs and attorneys' fees (TR. 3-8).

†Throughout this brief Appellant Welch will alternately be designated as "Appellant" or "Welch" and Appellee Grindle will alternately be designated as "Appellee" or "Grindle".

Appellant's answer (TR. 8-17) joined issue by denying the allegations of the complaint and asserting as special defenses that the Court was without jurisdiction in that the cause was based upon a claim justiciable in the Courts of the State of California and there was no genuine or actual controversy existing between the parties relative to validity or infringement.

Additionally, the answer set up the defenses that the action was barred by the applicable statute of limitations; that Appellee was guilty of gross laches and acquiescence; that Appellee was estopped to maintain the action; that Appellee had actively participated in the granting of a release to Appellant and was, therefore, estopped; that Appellant was duly licensed to make the subject devices; that the action was a sham action that should be dismissed; and that Appellee's claim was stale.

At the conclusion of Appellee's case, Appellant moved the District Court to dismiss the complaint upon the grounds (TR. 356-364):

(a) That the Court lacked jurisdiction because the question of title to the Letters Patent is not an action arising under the patent laws, but rather a patent right or ownership question based on common law or equity which, in the absence of diversity, is within the jurisdiction of the state courts.

(b) That the Court lacked jurisdiction because there was no such justiciable controversy between the parties as was cognizable under the Declaratory Judgment Statute, but rather a mere desire upon the part of Appellee to make the patented structure.

(c) That the action was barred by the applicable statute of limitations and presented a stale claim and

that Appellee was, by a release, estopped to maintain the action.

These motions were taken under advisement (TR. 40-710) but were never specifically ruled on. The inference to be drawn from the Court's final determination (TR. 5-64) of the case is that they were denied.

During trial an Amended and Supplemental Complaint was filed purporting to conform to the evidence (TR. 1-23).

After a trial on the merits, the District Court filed a Memorandum Order of decision (TR. 54-64) holding the Appellant's patent invalid. Thereafter, the District Court adopted Findings of Fact and Conclusions of Law (TR. 64-73) and on January 4, 1957, entered a Judgment and Decree (TR. 73-75).

Both parties noticed appeals on February 4, 1957 (TR. 75 and 78, respectively). The appeal of the Appellee, Grindle, was subsequently dismissed upon Stipulation and Order. The Stipulation and Order was transmitted as a part of the record (TR. 710-711) but not printed in the transcript.

B. The Environment in Which the Welch Invention Was Made

The subject matter of the patent in suit is a Liquid Measuring Gauge, particularly adapted for use in gauging the gas content of airplane wing tanks. Commonly called a "Dipstick", the device is an elongated, stick-like rectangular tube of transparent plastic material with sealed ends, housing a wooden reinforcing core, opposite corners of which are routed to accommodate open ended gauging tubes which project through the end seals. A printed graduated scale is wrapped around the wooden core and viewable

through the outer shell to determine the gallonage measured in a given or selected gauging tube.

In use the Dipstick is inserted through a top opening in an airplane wing tank and lowered to contact the bottom thereof and the operator, by placing his finger over the upper end of a selected measuring tube, can entrap a fluid column therein to be read against a scale for the particular model of aircraft and wing tank and thus determine the remaining supply of fuel.

Prior to the Welch invention various devices had been employed for the purpose, some with no success and some with indifferent success. Some were made of wood and some of metal. They were exhibited to the Trial Court as Plaintiff's Exhibits K-1, L-1, M-1, N-1 and O-1. Appellee, Grindle, was assigned the task by his employer, Pan-American, of developing a satisfactory Dipstick (TR. 87):

"* * * the reason being that they had difficulty with wooden sticks in chipping and clogging valves, and the fact that the sticks broke quite easily, and mainly that the calibration on the sticks was in question."

Appellee, Grindle, made several abortive attempts to solve the problem and finally, in April of 1948, came up with a concept that envisioned a Dipstick that would be made by an extrusion of plastic material. He then sought the aid of experienced plastics people and was directed to Appellant, Welch, upon checking into the matter, advised Grindle that the extrusion device would be too expensive to make and was impracticable. At the same time he disclosed to Grindle a structure that could be made to serve the purpose. That device met with the approval of Grindle's employer Pan-American, and Welch was given an order for the manufacture and delivery of a supply of the devices. At the same time Pan-American executed in Welch's favor a release

letter that had been authored by Appellee, to market the devices as Welch saw fit. This Welch proceeded to do. He also filed application for and was granted Letters Patent on the structure he had disclosed to Grindle.

The controversy came before the District Court on the complaint of Grindle (not Pan-American) seeking title to the patent or a declaration of its invalidity.

SPECIFICATION OF ERRORS

The following errors are specified as those which will be urged in support of this appeal:

1. The District Court erred in finding that there existed between the parties a justiciable controversy for declaratory judgment within the meaning of 28 USC 2201.

2. The District Court erred in failing to find and conclude that Appellee Grindle's cause of action was a state claim, barred by the applicable California Statute of Limitations.

3. The District Court erred in failing to find and conclude that Appellee Grindle, by virtue of a release or license was estopped to maintain the asserted cause of action.

4. The District Court erred in denying Appellant Welch's Motion to Dismiss the asserted cause of action for declaratory judgment and in assuming jurisdiction over the non-federal questions relating to the assignment of the patent and damages.

5. The District Court erred in adjudging Letters Patent 2,534,644 void because the application was not filed by the true inventor.

6. The District Court erred in adjudging Letters Patent 2,534,644 void because the Dipstick disclosed and claimed in the patent was in public use or on sale for more than one year before the application was filed.

7. The District Court erred in denying Appellant's motion to reopen the case for the introduction of further evidence bearing on the asserted defense of prior public use or sale of the invention forming the subject matter of Letters Patent 2,534,644.

8. The District Court erred in adjudging Letters Patent 2,534,644 void because the Dipstick disclosed in the patent was published in drawing D-32.061.114 more than one year before the patent application was filed.

9. The District Court erred in adjudging that each of the three claims of patent No. 2,534,644 is invalid because it fails to define invention over the prior art, particularly Lyde and Schmitt.

10. The District Court erred in failing to adjudge Appellee Grindle guilty of laches and to dismiss the action for that reason.

11. The District Court erred in failing to find Appellee Grindle had acquiesced in Appellant Welch's manufacture and sale of the subject devices in a manner and to an extent that barred the maintenance of the action and to dismiss the suit for that reason.

12. The District Court erred in failing to treat the suit as one based upon a stale claim the prosecution of which gave rise to circumstances meriting an award of reasonable attorneys' fees and in failing to make such an award.

13. The District Court erred in ordering Appellant Welch to discontinue the marking of the subject devices with No. 2,534,644 and to notify his customers and prospective customers that the subject devices were not patented.

SUMMARY OF ARGUMENT

- I. The District Court Finding That a Justiciable Controversy for Declaratory Judgment Existed Between the Parties Was Clearly Erroneous.
- II. Appellee's Cause of Action Was a Stale Claim, Barred by the Applicable California Statute of Limitations and It Was Clearly Erroneous for the District Court to Fail to So Find and Conclude.
- III. The Failure of the District Court to Find and Conclude That Appellee, By Virtue of a Release or License, Was Estopped to Maintain the Asserted Cause of Action Was Clearly Erroneous.
- IV. The Adjudication That Appellant Was Not the True Inventor of the Subject Device Was Clearly Erroneous.
- V. The Holding That the Patented Dipstick Had Been in Prior Public Use or Sale and the Refusal to Reopen the Case for Further Evidence on That Point Was Clearly Erroneous.
- VI. The Treatment of the Pan-American Drawing as a "Prior Publication" Was Clearly Erroneous.
- VII. The Finding of the District Court That the Welch Patent Did Not Define Invention Over the Prior Art Was Clearly Erroneous.
- VIII. Appellee Was Guilty of Laches and Acquiescence with Respect to Appellant's Manufacture and Sale of the Subject Devices and the Action Should Have Been Dismissed on Those Reasons.
- IX. Appellee's Prosecution of His Stale Claim Gave Rise to Circumstances Meriting an Award of Attorney's Fees to Appellant.
- X. The District Court's Order Requiring Appellant to Discontinue the Patent Marking of the Devices and to Notify Customers Was Also Improper.

he District Court Finding That a Justiciable Controversy for Declaratory Judgment Existed Between the Parties Was Clearly Erroneous.

Under this heading we will couple items 1 and 4 of the statement of Points (TR. 14) on which Appellant relies.

The Trial Court found that Appellee, upon discovering that Appellant had patented the Dipstick and that Appellant had developed the manufacture of the Dipsticks into a profitable venture, decided to also enter into the manufacture and sale of Dipsticks and that Appellant thereupon threatened an infringement suit (TR. 70). Upon this basis the Court concluded that a justiciable controversy existed between the parties.

When the full record is examined it is believed eminently clear that as of the time of the filing of the complaint there was no *actual controversy* within the meaning of the Declaratory Judgment Act and the finding and conclusion in that respect were clearly erroneous. Instead of an actual controversy there existed an incident of Appellee's provoking, but one utterly lacking in the *bona fides* contemplated by the statute and for this reason the so-called federal cause should have been dismissed.

As of the filing of the complaint (March 25, 1955) Appellee was employed by Pan-American World Airways (TR. 2). He was not then in the business of manufacturing Dipsticks, but he had formed the "intent" to do so (TR. 167). He had *not* ordered the necessary plastic extrusion and gave this as his reason (TR. 168):

"Q. Why haven't you gone ahead and ordered this plastic extrusion?

A. Well, primarily because it involves the expenditure of several thousand dollars, and I didn't want to

go to that expense and also be faced with possible legal action from Mr. Welch.”

Upon this background, Appellee provoked the incident which he urges gave rise to the existence of an actual controversy. He did it by scheduling a meeting in the office of his attorneys with Appellant and J. Bruce Fratis, Esquire, his counsel. This followed an exchange of correspondence in which Appellee had demanded and had been refused an assignment of the Welch Patent (TR. 165).

Accepting, *arguendo*, the Appellee's version of what ensued, it appears that:

“* * * Mr. Flehr, my attorney, asked Mr. Welch if he would prosecute me or bring an action against me *if* I were to produce the type of dipstick contained in Plaintiff's Exhibit 8.

Mr. Welch informed us very definitely that he would prosecute me *if* I did.” (Emphasis supplied.)

We say we accept it *arguendo* because there is a decided conflict between the two versions of what had actually transpired (Cf. Welch's testimony, TR. 558-561). But even that as it may, the best version offered by Appellee, when coupled with a mere formation of intent to do something, does *not* make out a justiciable controversy within the contemplation of the statute.

While it is fully appreciated that the Declaratory Judgment Statute (28 USC 400) has been liberally construed with respect to what constitutes a justiciable controversy, it is respectfully submitted the line should be drawn not to exclude situations clearly indicative that the real object is, as here, the obtaining of an advisory opinion.

This Court's decision in *Crowell v. Baker Oil Tools, Inc.*, 143 F.(2d) 1003, 62 U.S.P.Q. 176, is generally recognized as

extremely liberal in its finding that an actual controversy existed, but even that case will not bear a valid construction supporting Appellee's cause. Factually the case is distinguishable, mainly because Baker had once sued Crowell for infringement of the patent in suit and had dismissed without prejudice. Crowell "had made several devices infringing the appellee's patent if valid"; intended to make more and had "proceeded to have available a large stock of piping necessary for their manufacture". This fact pattern was held sufficient to invoke the right to sue the patent owner under the Declaratory Judgment Act and this Court expressed the view that Crowell "well may assume that he is in jeopardy of an injunction."

But that case is not to be interpreted as a blanket approval of every case as presenting a justiciable controversy, especially where the basic premise is nothing more than the expression of a desire or declaration of intent to engage in an enterprise, coupled with entrapment or solicitation of words that can be tortured into a charge of infringement. In other words, can an "actual controversy" be brought into existence by the naked declaration of intent to embark upon the manufacture of a particular patented device and an inquiry to the patentee along the lines of "what will you do if I do so?", regardless of the patentee's response? It is submitted that it aborts the statute to sanction an action brought upon such an ephemeral premise. See:

Atlas Imperial Diesel Engine Co. v. Lanova Corp.,
79 F.S. 1002, 78 U.S.P.Q. 319, 322.

The following language was employed in *Federal Tel. & Radio Corp. v. Associated Tel. and Tel. Co.*, 71 F.S. 877, 73 U.S.P.Q. 80, 82, to draw a sensible line and one clearly excluding Appellee's asserted cause:

"The construction of the Declaratory Judgment Act while liberal, must be a reasonable construction and confined within definite limits. The Act must not be made a vehicle of oppression by which the holders of patents can be haled into court, without cause, in defense of their patents when no actual controversy as to such patents exists, but only a desire by some plaintiff for an advisory opinion upon some feature related thereto, or to remove the patent as a possible cloud upon his own process or a limitation on his activities. As said in *Coffman v. Breeze Corporation*, 'It is quite clear that a declaratory judgment procedure is available in the federal courts only in cases involving an actual case or controversy * * * where the issue is actual and adversary * * *, and it may not be made the medium for securing an advisory opinion in a controversy which has not arisen'".

The preceding remarks are directed to the complaint *filed* herein since that was the target for Appellant's original Motion to Dismiss, which was denied. It is appreciated that the complaint was, during trial, amended and supplemented to conform to the evidence, but Appellee's conduct after March 27, 1955, was self-serving and ineffectual as curative.

That part of the original complaint which sought to invoke the Declaratory Judgment Statute is additionally seen as a scheme and device conjured up by Appellee to give the District Court token jurisdiction over the claim for non-assignment of the patent. The latter cause was non-federal and, as between citizens of the same state, was justiciable in the courts of California. Its obvious staleness undoubtedly prompted Appellee to join the asserted causes in the District Court in the hopes of obtaining an order for assignment or a declaration of invalidity.

For the reasons above set forth it is submitted the District Court should have granted Appellant's Motion to dismiss for lack of a justiciable controversy and its failure to do so was clearly erroneous.

II.

Appellee's Cause of Action Was a Stale Claim, Barred by the Applicable California Statute of Limitations and It Was Clearly Erroneous for the District Court to Fail to So Find and Conclude.

The Welch patent issued on December 19, 1950, and within the next several weeks all dipsticks were manufactured with the patent number thereon (TR. 491 and Defendant's Exhibit F-1), including ones sold to Pan-American. Prior to issuance of the patent, Appellant had caused the "Patent Pending" notice to be affixed, first by rubber stamping the charts (Defendant's Ex. C-1) and then by printing it on them (Defendant's Ex. D-1 and E-1). The earliest use of the "Patent Pending" notice occurred in the last half of 1948 (TR. 486-491).

Appellee disclaims all knowledge of the pendency of the Welch application or issuance of the patent prior to *September 1953* (TR. 157-158) despite the Appellant's use of the pendency and patent notices on articles supplied to his employer, Pan-American, and offers the feeble excuse that he was, in effect, insulated against seeing what was there or all the rest of the world to see, because he was assigned to a new position. That new position was Technical Assistant to the Chief Flight Engineer. He said he didn't believe he had anything whatever to do with dipsticks after June 10, 1949 (Plaintiff's Ex. 21) notwithstanding the fact that he was liaison between the (a) Operations Department, (b) the Maintenance Department, (c) "such other departments that we may have to deal with in the operation's group",

and (d) the flight crews, and these are the very people who are constantly using dipsticks (TR. 155-156).

Of equal significance was the fact that Appellee was then on friendly terms with Appellant and was seeing him on a social basis at Appellant's home in Millbrae where the dipsticks were initially made and were in plain sight for all to see. This friendship continued for the period 1949 to at least May 27, 1953, and the dipsticks, with the patent pending and patent notices affixed thereto, were openly exposed to Appellee's view during the course of that friendship as well as in their normal use by Pan-American. The social exchanges between the parties were varied but definitely included many visits by Grindle to the Welch home in Millbrae where the dipsticks were assembled in the years 1949-1950 in a working area of the basement. Later a workshop was built there and used for inspection and shipment of the articles. Grindle visited and spent time in the workshop area of the Welch home and the rumpus room right next to it (TR. 506-11).

Welch made no effort to conceal from Grindle or anyone else the fact that dipsticks were being fabricated or assembled in his basement. The belief was expressed that everyone that came to the Welch home during the period in question "saw us either working on dipsticks, or were shown dipsticks or handled them in some fashion". The project was carried on upstairs and down and the family was proud of it (TR. 508).

When these prevailing conditions and facts are borne in mind, the Appellee's denial of knowledge that a patent application had been filed or that a patent had been issued to Welch, until September 1953, is incredible. Appellee would have the Court believe that, like the ostrich with head in sand, he was carefully insulated from the acquisition of

knowledge otherwise plainly evident to him at Pan-American and the Welch home.

The reasonable inferences to be drawn from the facts alluded to are that Grindle had actual knowledge of the issuance of the Welch patent or was chargeable with knowledge of it at least as early as its issuance date (December 9, 1950). Moreover, the presence of the "patent pending" notice on the articles prior to issuance of the patent was sufficient to alert Grindle to the Welch claim and put him on notice as to the prospect of issuance of the patent. It is submitted that a prudent person, harboring a quiescent claim of inventorship, would be aroused upon seeing an article embodying his claimed invention produced by another and bearing a "patent pending" notice. Certainly a prudent person would not delay the filing of a cause seeking an order compelling assignment as the instant cause was delayed by Grindle.

Apart from the foregoing considerations which are clear enough to defeat Appellee's stale claim, Appellee had *constructive notice* of the Welch patent as early as of the date of its issuance (December 19, 1950). *This was over four years before the commencement of the action* (March 27, 1955).

In a similar situation, involving pursuit of the title to a patent, it was held that the failure to commence the action within the time prescribed in the applicable Statute of Limitations was fatal. See: *Hartley Pen Co. v. Lindy Pen Co., Inc.*, 16 F.R.D. 141, 102 U.S.P.Q. 151, 161-2, a case decided by Judge Mathes of the Southern District on June 18, 1954, and affirmed by this Court at 237 F.(2d) 294, 111 U.S.P.Q. 67. In that case, the District Court held that:

"* * * issuance of the patent and recordation in the Patent Office constitutes notice to the world of its existence."

The Court cited for that proposition the following cases: *Wine Railway Appliance Co. v. Enterprise Railway Equipment Co.*, 297 U.S. 387, 393, 28 U.S.P.Q. 299, 300 (1936); *Sontag Stores Co. v. National Nut Co.*, 310 U.S. 281, 294, 45 U.S.P.Q. 448, 454 (1940); *Sessions v. Romadka*, 145 U.S. 29, 51 (1892); *Boyden v. Burke*, 14 How. (55 U.S.) 575, 582 (1852).

The observation of the Supreme Court in the *Sontag Stores* case, *supra*, is particularly significant. It was there said (45 U.S.P.Q. 453-4):

"In the instant case *the accused machine went in operation when the owner had no actual knowledge of the original patent* but that circumstance we think ought not to defeat the defense based upon intervening rights. All patents must 'be recorded, together with the specifications, in the Patent Office in books to be kept for that purpose.' U.S.C.A. Title 35, sec. 39. *Constructive notice of their existence goes thus to all the world.* *Boyden v. Burke* (1852), 14 How. 575, 582; *Wine Ry. Appliance Co. v. Enterprise Ry. Equipment Co.* (1936), 297 U.S. 387, 393 (28 USPQ 299); *Walker on Patents*, Deller's Edition (1937) Vol. 3, p. 2176. *As a consequence the owners of the machine here accused operated it with implied knowledge of the original patent and may justly claim whatever privileges would follow actual knowledge.*" (Emphasis supplied.)

It is respectfully submitted that the rule should cut both ways, namely, if issuance is constructive notice of the existence of the Letters Patent to *create* an intervening right, it should be likewise effective to *defeat* a stale claim.

Returning now to the holding of the *Hartley* case, *supra*, it will be noted that Judge Mathes was of the opinion (102 U.S.P.Q. 161) that:

"Federal courts of equity, while not bound by state statutes of limitations except in cases where original

jurisdiction is based upon diversity of citizenship (*Guaranty Trust Co. v. York*, 326 U.S. 99 (1945)), 'will nevertheless, when consonant with equitable principles, adopt and apply * * * the local statutes of limitations applicable to the equitable causes of action in the judicial district in which the case is heard.' (*Russell v. Todd*, *supra*, 309 U.S. at 288-289)."

The Court then noted that the applicable California statute of Limitations provides a three-year period from discovery of "the facts constituting the fraud" (*Cal. Code Civ. Proc.* § 338 (4)) (Cf. *Cal. Civ. Code* § 2224; *Cal. Code Civ. Proc.* § 343; *Burns v. Ross*, 190 Cal. 269, 212 Pac. 17 (1923); see *Dabney v. Philleo*, 38 Cal. (2d) 60, 237 P.(2d) 48 (1951); *Neet v. Holmes*, *supra*, 25 Cal. (2d) 447, 154 P.(2d) 854) and ruled that the facts of public record appeared to have placed the intervenor on constructive notice well more than three years prior to action taken.

The Court concluded its opinion with the following (102 U.S.P.Q. 162):

"Since the claim of title, as now pleaded in intervenor's complaint, would be barred by applicable state statutes of limitation if asserted in the courts of California (cf. *Hobart v. Hobart Estate Co.*, 26 Cal. 2d 412, 159 P.2d 958, 971-975 (1945)); the claim should be held barred here. (*Guaranty Trust Co. v. York*, *supra*, 326 U.S. at 107-112; *Russell v. Todd*, *supra*, 309 U.S. at 287-289, 293-294)."

An additional authority calling attention to the considerations and applicable legal principles is the decision in *Whitman v. Walt Disney Productions, Inc.*, 148 F.S. 37, 112 U.S.P.Q. 220.

It follows that Appellee, having had constructive notice of the issuance of the Welch patent as early as December

19, 1950, was barred from maintaining an action commence March 27, 1955, or more than three years after the effective date. Appellee's position before the Court was not alleviated by the repeated assertion that he did not discover the alleged fraud until September 28, 1953, since that assertion is no answer or excuse for having waited too long after the effective date to commence his action.

Appellant respectfully submits that for the foregoing reasons the District Court should have dismissed the action as barred by limitation, and it was clearly erroneous for it not to have done so.

III.

The Failure of the District Court to Find and Conclude That Appellee, by Virtue of a Release or License, Was Estopped to Maintain the Asserted Cause of Action Was Clearly Errorous.

The release or license upon which Appellant claims that Appellee was estopped to maintain the asserted cause of action is to be found in Plaintiff's Exhibit 12, and for the Court's convenience that exhibit has been reproduced in the transcript (TR. Vol. III, p. 719-720).

The release was personally authored by Appellee (TR. 132). The release is clear and unequivocal in the following language selected by Appellee:

"This letter will constitute release of the design to you to market as you see fit."

It was a complete "go-ahead" to Appellant to embark upon a program of commercialization of the subject dipsticks. That is precisely what the Appellant did in obvious reliance upon the document.

It is of the utmost significance that this release was prepared by Appellee at a time when he knew that, under Pan-American policy, Pan-American owned any asserted inva-

ion in the subject dipstick to the extent of Appellee's participation in the conception and making of it, and knew that Pan-American would continue to own it until Appellee opportuned it to grant a release of it, such as the one he obtained some six years later (Defendant's Exhibit A).

While the reason for granting the release is believed wholly immaterial to any issue of this controversy, it has been asserted by Appellee that Appellant asked for the release and obtained it upon Pan-American's belief that it would get a price consideration. Assuming that to be true, for purposes of argument, it offers no excuse whatsoever for the complete failure of Appellee to separately claim a personal interest or right or to make a reservation with respect to any claim of inventorship or ownership that he had at the time of personally authoring the release. If Appellee in fact "had no intention of dealing or conveying any possible rights" that he may have himself had, as he testified (TR. 137), it was his duty to *at that time* reserve those personal rights by language inserted in the release or set up in some separate paper delivered to Appellant.

The fact that Appellee kept his claim in "moth balls" for substantially seven years after participating in the giving of a go-ahead signal, knowing all the while that Appellee was proceeding in reliance on the release and building up a commercial enterprise in the making and selling of the dipsticks in question, makes out an unusually strong case of stoppel. It was grossly inequitable to permit Appellee, on any theory, to disturb a situation that he and his employer helped to create.

For these reasons it is urged that Grindle was estopped to maintain the action and it was error for the District Court not to have dismissed it for that reason.

The Adjudication That Appellant Was Not the True Inventor of the Subject Device Was Clearly Erroneous

The District Court's error in adjudging that Welch was not the true inventor of the subject matter of the patent in suit stems from the failure of the Court to appreciate the differences between the Grindle concept and the Welch invention. Those differences are spelled out in the record in the following manner.

Grindle was, by his employer, Pan-American, assigned the problem of designing a better dipstick to replace the wooden and metal devices then in use. He made a series of experiments that led to the *concept* that one might make a satisfactory dipstick by extruding a tubular plastic member with walls of sufficient thickness to permit fluid measuring columns to be defined in each of its four walls, with the tubular plastic member serving as a housing or sheath for a wooden core stick around which there was to be wrapped a paper printed graduation scale. This concept is illustrated in the drawing A-14.123.116, dated April 28, 1948 (Plaintiff's Ex. 6). That idea was arrived at after Grindle had experimented with laminated devices wherein the structure had been built up from a number of pieces (See: Plaintiff's Exhibit 4a sketch made during trial, and Plaintiff's Exhibit 5, a mock-up replica made for purposes of trial). He realized that to "produce a thing of this kind in the laminated form would be very costly and very time consuming, and an extruding process is much more adapted to production methods" (Tr. 87-99).

This was the Grindle *concept* and the closest he came to the subject matter of the patent in suit. This *concept* is not only different from that embodied in the patented structure

ut it belies his claim of being the "designer" of the Welch patented dipstick (as asserted orally and in the words affixed to Plaintiff's Exhibit 8, drawing No. D-32.061.114) when that claim is viewed in the light of the surrounding facts.

Having arrived at the belief that an embodiment of his concept could be *extruded*, Grindle's next step was to seek out a plastic extrusion manufacturer to get a quotation. Inquiry led to a visit to American Molding Company, accompanied by another Pan-American employee (Marshall Seagrave). The several versions of what transpired during his visit are not in total agreement (Cf. Grindle TR. 100-102; Seagrave TR. 638-643 and Robb TR. 666-670) as to just what was wanted and what was exhibited, but it was agreed that Mr. Robb, of American Molding Company, referred Grindle to Appellant as a possible source of what he was seeking in the way of an extrusion.

The conceived *extrusion* device (Plaintiff's Exhibit 6, a drawing) then constituted the extent of Grindle's mental efforts in the field of dipsticks. A comparison of that idea with the subject matter of the Letters Patent in suit reveals differences so substantial as to negative the Appellee's contention, and show the lack of foundation for the District Court's ruling, that Grindle and not Welch was the inventor of the subject matter of the patent. This analysis can best be made by comparative reference to the elements of the claims of the patent in suit and the Grindle concept as evidenced by Plaintiff's Exhibits 5 and 6, even though there is serious doubt that the sample device, of which Plaintiff's Exhibit 6 is said to be a *replica*, was sealed off at its ends with plugs. Cf. testimony of Kerr (TR. 378) disputing the presence of any plugs in the sample that he saw.)

CLAIM 1

	The Grindle Concept
A liquid measuring gauge comprising	
a tubular body of transparent material	Yes
a reinforcing bar within said body and	Yes
having grooves therein and	No
graduated scales on opposite sides of said grooves ;	No
transparent measuring tubes within said grooves	No
with their opposite ends extending beyond the length of the body ; and	No
plugs in the opposite ends of and hermetically sealing the ends of said body against the entrance of liquid within said body surrounding said measuring tubes.	Yes*-1

*If we assume that plugs were present in the sample, an assertion which Kerr disputes.

Summary:

The Grindle reinforcing bar did not have grooves ; it was rectangular in cross-section and the "graduated scale" were wrapped around it or applied to its surfaces.

The "measuring columns" of the dipstick of the Grindle concept were formed in the walls of the tubular body, there being one in each side wall. Hence, there were no tubes that could be within the grooves. Moreover, the Grindle columns terminated flush with the ends of the tubular body within which they were formed and could not, therefore, extend beyond the length of the body as defined in Claim 1.

CLAIM 2

	The Grindle Concept
liquid measuring gauge comprising	
a tubular body of transparent material;	Yes
a reinforcing bar within said body and	Yes
having grooves therein;	No
transparent measuring tubes within said grooves	No
with their opposite ends extending beyond the length of said body; and	No
laminated plugs hermetically sealing the opposite ends of said body and	No
consisting of superimposed layers of sheet material fitting the contours of said ends	No
with adhesive cement interposed between said layers which will exude and adhere to said body when said plugs are compressed against the ends of said reinforcing bar	No

Summary:

The subject matter defined in Claim 2 differs from that of the Grindle concept for the reasons given with respect to claim 1.

In addition, it should be noted that the concept of utilizing laminated plugs, having the characteristics set forth above, is wholly foreign to the structure envisaged by Grindle.

CLAIM 3

	The Grindle Concept
A liquid measuring gauge comprising	
a square tubular body of transparent material ;	Yes
a reinforcing bar snugly fitting within said body	Yes
with its opposite ends spaced back from the opposite ends of said body respectively and	Yes*
having longitudinal grooves in two of its opposed corners ;	No
transparent measuring tubes within said grooves respectively	No
with their opposite ends extending beyond the length of said body ;	No
laminated plugs hermetically sealing the opposite ends of said body and	No
consisting of superimposed layers of sheet material fitting the contours of said ends	No
with adhesive cement interposed between said layers which will exude and adhere to said body when said plugs are compressed against the ends of said reinforcing bar ; and	No
nails extending through the said plugs in the opposite ends of said body and penetrating the ends of said reinforcing bar and	No
having heads bearing against said plugs for compressing said plugs when said nails are driven into the opposite ends of said bar respectively.	No

*If we assume that plugs were present in the sample, an assertion which Kerr disputes.

Summary:

The tally on Claim 3 pronounces even greater differences between the patented structure and that of the Grindle concept.

apt than with the other claims, as inspection will reveal. The addition of the nail was pooh-poohed by Grindle as unsafe, despite the fact that all-metal sticks had been universally used and without seeming consciousness of the fact that non-ferrous or low-conductivity nails are commonplace.

The inescapable conclusion to be drawn from the preceding analyses of the claims is that even if it be assumed that Grindle made an "invention", the Welch patent claims do not follow the Grindle concept.

The Welch patent claims are limited to the specific structure disclosed in the Welch application and were found allowable by the Patent Office upon search and due examination. As yet the Grindle concept has not been so tested and hence maintains its status as a mere "idea" abandoned long since by its creator.

It is apparent that Appellee has confused "inspiration" with "invention", in that he appears to believe that merely because he informed Welch that there was a problem and disclosed to him an impracticable device (namely, the exclusion drawing (Plaintiff's Exhibit 6) conceived in the effort to solve it) that he has just claim to all subsequent inventions and developments relating to solutions of that problem as being derivative.

But the simple answer is that this, at best, would be mere "inspiration", and "inspiration" and "invention" are not synonymous. It is for this reason that mere ideas are never patentable. In the case of *Dyer v. Sound Studios of New York, Inc.*, 85 F.(2d) 431, 432 (C.A. 3; 1936), it was held that:

"It is horn-book patent law that a patentee cannot claim a general idea such as, for instance, the making of long-time running disk records; but his invention, if invention it be, consists in the means he discloses and

embodies in his claim to accomplish such long-time work of the disk."

Being thus shorn of all rightful claim that the dipstick forming the subject matter of the Welch patent was invented by him, it is only natural that Appellee should next turn to the tactic of collateral attack on the validity of the patent by attempting to prove that Welch did not invent the device. Appellee should have failed on that score also.

There is no doubt whatever but that Welch sought the aid and assistance of others, such as Kerr, Rollins and Klein, in the development of the invention forming the subject matter of the patent in suit. That is the common thread of the testimony and the documentary evidence of record. What if he did get the concept of cutting away the wooden stick to accommodate stock tubes in a stock outer plastic shell from Kerr? That is not the claimed combination! What if he did get a suggestion from Klein that the cuts in the stick should be radius cuts to nicely accommodate the tubes? That is not the patented invention! What if he did get a suggestion from Rollins about lamination of the end plug? That is not the patented combination!

This is but evidence of the inquisitiveness for data, the collection of which frequently produces the solution to the problem and, hence, invention. It results in the merging of collected suggestions into the "tout ensemble", and this is the very combination that is claimed.

If along the way the patentee has neglected to credit each with inventive contribution of the order that should have caused him to be included or named as a joint inventor, the statute plainly makes provision for such a contingency. See Title 35, Sec. 256:

"Whenever a patent is issued and it appears that a person was a joint inventor, but was omitted by error

and without deceptive intention on his part, the Commissioner may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate adding his name to the patent as a joint inventor.

The misjoinder or nonjoinder of joint inventors shall not invalidate a patent, if such error can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Commissioner shall issue a certificate accordingly." (Emphasis supplied.)

From the foregoing it will be readily seen that there is no real merit to Appellee's blunderbuss attack on the Welch patent and the same should have been rejected by the District Court.

To summarize this point, Grindle had a *concept* of an impractical extrusion device and Welch disclosed to him a practical device. Those two devices were distinctly different, as we have demonstrated. Thus on the record it was error for the District Court to conclude, expressly or by implication, that Grindle conceived both the impractical extrusion device and the practical device of the patent.

We are left to deal only with Plaintiff's Exhibit 8, Pan-American drawing D-32.061.114, which, on its face, credits Grindle with the design of the structure shown. The plain facts are that Grindle did *not* instruct Chong, the Pan-American draftsman, on the make-up of the drawing until after Welch had called on Grindle to report his findings with respect to the impractical extrusion device and disclosed to him the practical device (TR. 104-109). Grindle testified that Welch, on the occasion of that visit, merely handed him three (3) pieces of standard extruded tubing and inquired whether he could use them without explaining

how they were to be used (TR. 107). Welch testified that on May 14, 1948, he delivered an assembled Dipstick to Grindle and left it with him. Since Kerr, upon concluding that Grindle's extrusion device was impractical (TR. 380) had made up a partly assembled stick (illustrated by Defendant's Exhibit H) and sent it to Welch with his advice (TR. 387), it is illogical to assume that Welch discarded the Kerr sample and presented Grindle with less, e.g., unassembled standard plastic extruded tubes.

For these reasons we submit that the Welch version of what he disclosed to Grindle is the more convincing and reliable. But in any event, Grindle did not and, presumably, could not instruct the draftsman until *after* he had seen Welch, and the drawing (Plaintiff's Exhibit 8) reflects the knowledge imparted to him by Welch.

V.

The Holding That the Patented Dipstick Had Been in Prior Public Use or Sale and the Refusal to Reopen the Case for Further Evidence on That Point Was Clearly Erroneous.

For purposes of clarity Appellant will here couple the discussion of Points 6 and 7 of his Statement of Points (TR. 14), as they are interrelated.

Elsewhere in this brief Appellant has pointed out that Claims 2 and 3 of his patent distinguish, in a patentable sense, from the subject matter of Claim 1 and there will be no need to repeat the discussion here beyond saying that it is important to bear the distinctions in mind, as the evidence concerning asserted prior public use or sale related only to the subject matter of Claim 1.

Mr. Welch, speaking of his search for evidence bearing on the earliest production of the Dipsticks of the patent, testified that the production of the "laminated ones" commenced in

the latter part of October or the first part of November, 1948 (TR. 499). Since he was there talking about first production of the dipsticks with the laminated plug type of end closure, embodiments of the subject matter of Claim 2 were unmistakably pointed to.

The Welch application was filed on August 17, 1949 and therefore the critical one year period commenced to run on August 17, 1948. Production and sale of the devices called for in Claim 2 in October or November, 1948, or within the one year period, would not invalidate the patent as to Claims 1 or 3. Consequently, it was clearly erroneous for the District Court to make a blanket finding covering all claims of the patent when the evidence, such as it was, went only to the subject matter of Claim 1.

Coming now to the question of prior public use of the specific subject matter of Claim 1 of the Welch patent, the record is clear that, acting upon the strength of his findings from the microfilmed records of Pan-American, purporting to show a partial shipment of 54 devices on August 12, 1948, Welch entered a disclaimer to Claim 1 of his patent (TR. 46-498; Defendant's Exhibits I-1 and J-1; TR. Vol. III, p. 717).

During and after trial Appellant continued his search for information bearing on the true date of first sale or delivery of the dipsticks of Claim 1 and, upon his findings, moved to reopen the case to take further evidence on the question and for an order revoking his voluntary disclaimer of the subject matter of Claim 1. The motion is set forth at TR. 2; the supporting affidavit of Welch at TR. 25; and the supporting affidavit of Francis J. Burke at TR. 32; and the court's attention is respectfully directed thereto, along with the exhibits that accompanied these papers. There is no need to detail the showing that was made in support of the motion

since the moving papers speak plainly enough to indicate that sufficient doubt was established concerning the reliability of the trial evidence to have warranted a reopening of the case for the taking of further evidence.

This Court has heretofore expressed views consonant with any reasonable request for the fullest hearing on the issue of prior public use. See: *Whiteman v. Mathers*, 23 F.(2d) 712, 104 U.S.P.Q. 83, 86, wherein it was observed:

“The burden of proof imposed upon a party tendering the issue of prior public use is a heavy one. It is not satisfied by a mere preponderance of the evidence, but is borne successfully only if the evidence is clear and satisfactory—perhaps beyond a reasonable doubt”.

It is therefore believed and contended that it was clearly erroneous for the District Court to content itself with the trial evidence impugning the validity of Claim 1 and to refuse to reopen the case for receipt of evidence throwing further light on the question.

VI.

The Treatment of the Pan-American Drawing as a "Prior Publication" Was Clearly Erroneous

The District Court concluded (Conclusion No. 7, TR. 71) that the patent in suit was void “because the dipstick disclosed in the patent was *published* in drawing D-32.061.114 more than one year before the patent application was filed”. The only finding resembling support for this conclusion is Finding No. 32 (TR. 70) that “Claim 1 of the patent reads directly on the dipstick disclosed in plaintiff’s drawing D-32.061.114 *published* on June 10, 1948”.

This ruling is the result of the failure to appreciate the plain meaning of the words “printed publication” as they are used in the patent statute (35 U.S.C. 102 (a) and (1)).

Prints of drawings handed by Grindle to Welch were not "printed publications" in the statutory sense, because there was absent "publication" of the kind and to the extent necessary to spell out *general circulation* of the print. The drawing was *privately* distributed by Pan-American in furtherance of its interests, to wit, the procurement of Dipsticks pursuant to its order to Welch and the grant of the release which it accompanied. As of its date (June 10, 1948) the devices it portrayed had not been manufactured and were not made until sometime later.

When the cases collected at *Walker on Patents* (Deller Edition) p. 266 et seq.; 1955 Supp. p. 101, et seq., are examined it will be noted that the turning point is short of drawings of the type here under consideration. The closest they come to a holding that a drawing can constitute a "printed publication" is to be noted in two cases.

The case of *Bishop & Babcock Mfg. Co. v. Western Auto Supply Co.*, 105 F.(2d) 886, 42 U.S.P.Q. 293, 295, flatly states that unpublished drawings do *not* in and of themselves constitute evidence of anticipation. It then goes on to say they only have such value when coupled with devices shipped in commerce, a consideration not to be found in the holding here under attack.

At first blush, *Des Rosiers v. Ford*, 143 F.(2d) 907, 62 U.S.P.Q. 320, would seem to stand for the proposition that a drawing, *per se*, is a "printed publication", but examination reveals that the drawing was *a part of a printed domestic periodical* and hence it was the latter that met the statutory definition.

Clearly then, the Pan-American drawing was given a significance it did not deserve.

VII.

The Finding of the District Court That the Welch Patent Did Not Define Invention Over the Prior Art Was Clearly Erroneous

In approaching this aspect of the case there are a number of considerations that should be borne in mind.

In the first place, Appellant will concede that the invention forming the subject matter of the Welch patent was not one of earth-shaking proportions. Indeed it will be conceded that the invention was a simple one, because that characteristic is not fatal. This Court said in *Patterson-Ballantyne Corporation et al. v. Perry M. Moss et ux*, 201 F.(2d) 40, 96 U.S.P.Q. 206, 208 that:

"It is quite apparent that simplicity alone will not preclude invention."

Another factor that is to be taken into account is the devices embodying the subject matter of the Welch patent have gone into extensive use, supplanting various metal and wooden devices that were in vogue at the time of its introduction (See: Defendant's Exhibits K-1 to O-1, inclusive a collection of various types of dipsticks).

Another consideration worth noting is the fact that the Appellee, himself, conceded that the Welch dipstick device is highly efficacious for its purpose. Grindle testified as follows (TR. 158-9):

"Q. Does Pan-American still use the dipsticks supplied by Mr. Welch?

A. Yes, they do. *The dipstick is still a good, functional device. To date I haven't seen anything better.*" (Emphasis supplied.)

These factors bespeak the presence of invention in the subject matter of the Welch patent. They tell of a problem or need and the filling of that need with a structure which

while simplicity itself when viewed by way of "knowledge after the event", nevertheless supplanted the earlier devices of its kind.

When considered in this light the invention was not one that should be cast aside lightly as the District Court did by reference to the two prior patents to *Hyde* and *Schmitt*, since there are a number of considerations that rule out those two patents as valid anticipations.

The patents on which the District Court relied were put in evidence by Appellant, Welch, and not the Appellee, Grindle, as would have been normally expected (TR. 672-673). Grindle, it should be noted, studiously avoided making any showing of the state of the art. They were offered by Appellant not to invalidate his own patent, but rather to find out or augment the showing of the state of the art, partly illustrated by the physical exhibits of dipsticks commonly in use at the advent of the Welch device (Defendant's Exhibits K-1 through O-1). Furthermore, the patents of *Hyde* and *Schmitt* were not cited by the Patent Office in its consideration of the Welch application, since the patent at its very end (TR. Vol. III, p. 718) carries the endorsement: "No references cited".

It is appreciated that this and other Courts have been prone, under some circumstances, to treat the absence of references or the failure to cite particular patents as an indication that the Patent Office examination was deficient and that the presumption of validity was thereby overcome, but it is respectfully submitted that in the case of a patent based upon very specific or limited claims, as here, the citation "No references cited" may very well signify that references were considered and discarded as lacking any degree of anticipatory value. So here, considering the relative simplicity of the devices in the art and the absence of

any complexities in classification of the prior art for search purposes, it is entirely reasonable to assume that the Patent Office Examiner saw the patents to Hyde and Schmitt but did not regard them as being of sufficient pertinency to anticipate the claims of the Welch application. This belief is borne out when the elements of the Welch claims are set in apposition to the Hyde and Schmitt patent disclosures as follows:

WELCH CLAIM

	HYDE (Tr. Vol. III, p. 721)	SCHMITT (Tr. Vol. I, p. 724)
A liquid measuring gauge comprising		
a tubular body of transparent material	No	No
a reinforcing bar within said body and	No	No
having grooves therein and	No	No
graduated scales on opposite sides of		
said grooves;	No	No
transparent measuring tubes within said		
grooves	No	No
with their opposite ends extending		
beyond the length of the body; and	No	No
plugs in the opposite ends of and hermeti-		
cally sealing the ends of said body against		
the entrance of liquid within said body		
surrounding said measuring tubes.	No	No

Summary:

It will be seen from the foregoing tabulation that no specific combination of elements claimed, in the particular arrangement and association of parts, is not found in either of the patents to Hyde and Schmitt.

True, some of the elements are common to the several devices, such as the transparent open ended tube A of Hyde and tube 11 of Schmitt and the supporting rods and graduated scales of both of the patented structures, but neither

Hyde nor Schmitt devised the particular combination called for in Welch claim 1. The same is true of Welch claims 2 and 3.

The invention of the Welch patent, it is respectfully submitted, was made up of a combination of elements, in a manner which was sufficiently new and novel to measure up to the accepted standards of invention. It was a new combination of elements in particular arrangement and association of parts to produce, as Appellee Grindle testified, "a good, functional device", and hence it exceeded the mere value of the sum of its parts.

This Court, under similar circumstances, has said that a finding which picks out one element from one prior patent and another element in another prior patent as a demonstration of anticipation is clearly erroneous. See: *Ry-Lock Co., Ltd. v. Sears, Roebuck & Co.*, 227 F.(2d) 615, 107 U.S.P.Q. 292, 294 (cert. den. 108 U.S.P.Q. 456), wherein this declaration of principle appears:

"Hence, a finding which, as here, picks out one element in one prior patent and another element in another prior patent as a demonstration of anticipation, is manifestly insufficient to overcome the presumption arising from the issuance of the patent, a presumption reemphasized by the existing Act. 35 U.S.C.A. § 282."

WELCH CLAIM 2

	HYDE (Tr. Vol. III, p. 721)	SCHMITT (Tr. Vol. III, p. 724)
liquid measuring gauge comprising		
a tubular body of transparent material;	No	No
a reinforcing bar within said body and	No	No
having grooves therein;	No	No
transparent measuring tubes within said		
grooves	No	No
with their opposite ends extending		
beyond the length of said body; and	No	No

	HYDE (Tr. Vol. III, p. 721)	SCHMITT (Tr. Vol. II p. 724)
laminated plugs hermetically sealing the opposite ends of said body and	No	No
consisting of superimposed layers of sheet material fitting the contours of said ends	No	No
with adhesive cement interposed between said layers which will exude and adhere to said body when said plugs are compressed against the ends of said re- inforcing bar.	No	No

Summary:

Claim 2 distinguishes over Claim 1 specifically in the use of superimposed layers of sheet material with adhesive cement interposed between the layers to form laminated plugs instead of the one-piece or solid plugs used as end closures in the device of Claim 1. The pieces making up the laminated plugs were shown as Defendant's Exhibits, J, V and W. There was a reason for this development. Welch explained that solid plugs made up of cement were not satisfactory in that when the cement plug hardened and dried it resulted in distortion of the ends of the dipstick. Some of the devices so made leaked and they were not successful in getting a good bond. Plaintiff's Exhibit 18 was identified as an example of a Dipstick so made with distortion at its ends (TR. 467-470, 473-477). Rollins, and others, had tried to help Welch make a satisfactory solid plug at without success (TR. 294-297).

Manifestly, the discovery that laminated plugs would solve the problem was *not* a change of the "sort which any mechanic in or out of the plastic field *might* have devised in the course of construction", as the District Court found (TR. 70, Finding 34). This variation was one discovered

fter painstaking work and represented a substantial improvement over the structure of Welch Claim 1.

WELCH CLAIM 3

	HYDE (Tr. Vol. III, p. 721)	SCHMITT (Tr. Vol. III, p. 724)
liquid measuring gauge comprising		
a square tubular body of transparent material;	No	No
a reinforcing bar snugly fitting within said body	No	No
with its opposite ends spaced back from the opposite ends of said body respectively and	No	No
having longitudinal grooves in two of its opposed corners;	No	No
transparent measuring tubes within said grooves respectively	No	No
with their opposite ends extending beyond the length of said body;	No	No
laminated plugs hermetically sealing the opposite ends of said body and	No	No
consisting of superimposed layers of sheet material fitting the contours of said ends	No	No
with adhesive cement interposed between said layers which will exude and adhere to said body when said plugs are compressed against the ends of said reinforcing bar; and	No	No
nails extending through the said plugs in the opposite ends of said body and penetrating the ends of said reinforcing bar and	No	No
having heads bearing against said plugs for compressing said plugs when said nails are driven into the opposite ends of said bar respectively.	No	No

Summary:

Claim 3 distinguishes over Claim 1 in the same respect as Claim 2 and additionally distinguishes over Claim 2 in the detail of using a nail 24 (See: TR. Vol. III, p. 717, Fig. 1 and 3) to compress the laminated plugs and force the cement outwardly against the inner surfaces of the boot ends and around the tubes 9, 10 and into the intervening interstices.

For the reasons given with respect to Claim 1, it is clear that the patents to Hyde and Schmitt do not anticipate the subject matter of Claim 3.

True enough, the differences between the Welch patent and the disclosures of Hyde and Schmitt are slight when scrutinized in the foregoing manner, but they nevertheless represent an advance in the art and contributed to the make-up of a Dipstick that was far superior to those in use at the time of its introduction and one that filled a need. It is not without significance, of course, that manufacturers in the art had not seen fit to draw on the teachings of either Hyde or Schmitt in making up the Dipsticks that preceded the Welch stick (Defendant's Exhibits K-1 through O-1). It is urged that this may be regarded as silent testimony that the Hyde and Schmitt teachings were inadequate for the purpose.

Under the circumstances enumerated in the record it is respectfully submitted that the findings (Nos. 33-35; TR. 70) upon which the holding of want of invention was based were clearly erroneous.

VIII.

Appellee Was Guilty of Laches and Acquiescence with Respect to Appellant's Manufacture and Sale of the Subject Devices and the Action Should Have Been Dismissed for Those Reasons.

Elsewhere in this brief (Point III) we have discussed the circumstances that created an estoppel against Appellee's

aintenance of this action. The course of Appellee's conduct herein spelled out shows that he was also guilty of laches and had acquiesced in Appellant's manufacture and sale of the devices in a manner and to such a degree that these equitable defenses should likewise have been invoked and the action dismissed.

There should be no encouragement given to one who is willing to shut his eyes to that which is obvious to all around him and then rush in, when it suits his fancy and convenience, to assert a claim many years after the event. This is especially true of one in Appellee's position, appearing first as one in aid of the establishment of this part of Appellant's business to the extent of authoring a release, and next as a friend of the Appellant. Appellee's complete indifference to a chain of events unfolding before his very eyes, and over a period of time, exceeding the period of the applicable Statute of Limitations, cannot be ignored or condoned.

IX.

Appellee's Prosecution of His Stale Claim Gave Rise to Circumstances Meriting an Award of Attorney's Fees to Appellant.

This Court has declared that an award of attorney's fees pursuant to 35 U.S.C. 285 should be made only in extraordinary circumstances (Cf. *Park-In Theatres, Inc. v. Persens*, 190 F.(2d) 137, 90 U.S.P.Q. 163). It is urged that Appellee's conduct in the institution and prosecution of this action to further an obviously stale claim, was vexatious and unjustified and warrants an award of attorney's fees to Appellant. Appellee's laches and acquiescence, as well as the facts giving rise to an estoppel against him, have been discussed elsewhere in this brief and need not be repeated here. It is respectfully submitted that, upon reversal and remand, this Court should direct the District Court to

award a reasonable attorney's fee and thus place that burden where it rightfully belongs.

X.

The District Court's Order Requiring Appellant to Discontinue the Patent Marking of the Devices and to Notify Customers Was Also Improper.

There are several underlying considerations that indicate the impropriety of the order of the District Court that Appellant discontinue marking his devices with the number of his patent and notify customers that the subject devices were not patented.

First, as we have shown elsewhere in this brief, the subject matter of Claims 2 and 3 of the Welch patent are not clearly non-inventive over the prior art. Additionally, the subject matter of Claim 1 should not be thrown into the public domain until all pertinent facets of proof concerning asserted prior public use have been observed, as offered by Appellant's motion to reopen the case.

Secondly, the decision here is binding only as between the parties, which means that the patent or some of its claims may be deemed valid in other jurisdictions.

Thirdly, no such equitable considerations surround Appellee as would command a clearing of the path for establishment of his own enterprise in Dipsticks, it being shown that he has only a "desire" to go in that direction.

CONCLUSION

The judgment of the District Court should be reversed and the case remanded with directions to find the patent valid and Appellant restored to an unfettered enjoyment of the rights that flow from it. Such disposition of the case should

e accompanied by an award of a reasonable attorney's fee
o make Appellant whole in the matter of resisting an obvi-
ously stale claim.

Respectfully submitted,

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Of Counsel

